

MONTANA LEGISLATIVE HISTORY

Chapter 133 19 85

Bill H _____ S 34

Original bill & history ☒ c

H. Committee on Business

Hearing Date(s) 3-11 ☒ c

_____ c

_____ c

_____ c

Date Out 3-11 ☒ c

S. Committee on Taxation

Hearing Date(s) 1-25 ☒ c

_____ c

_____ c

_____ c

Did this bill originate in an interim committee? ☐ Yes ☐ No

Committee _____

Report _____

1985

SENATE FINAL STATUS

ESTABLISHING AGRICULTURAL LAND VALUES FOR 1986
 REVALUATION CYCLE
 BY REQUEST OF REVENUE OVERSIGHT COMMITTEE

1/07	INTRODUCED		
1/07	REFERRED TO TAXATION		
1/09	FISCAL NOTE REQUESTED		
1/14	FISCAL NOTE RECEIVED		
1/22	HEARING		
1/23	COMMITTEE REPORT-BILL PASS AS AMENDED		
1/25	REREFERRED TO TAXATION		
2/06	ON MOTION PLACED ON 2ND READING		
2/08	2ND READING PASS	47	1
2/11	3RD READING PASS	48	1
	TRANSMITTED TO HOUSE		
2/27	REFERRED TO TAXATION		
3/15	HEARING		
3/30	COMM REPORT-BILL CONCURRED AS AMENDED		
4/01	2ND READING CONCURRED	84	14
4/01	3RD READING CONCURRED	94	5
	RETURNED TO SENATE WITH AMENDMENTS		
4/05	2ND READING AMENDMENTS NOT CONCURRED	45	0
4/16	CONFERENCE COMMITTEE APPOINTED		
4/18	CONFERENCE COMMITTEE DISSOLVED		
4/18	FREE CONFERENCE COMMITTEE APPOINTED		
4/20	FREE CONFERENCE COMMITTEE REPORT		
4/20	STATEMENT OF INTENT ATTACHED		
	SENATE		
4/22	2ND READING FREE CONFERENCE COMMITTEE		
	REPORT ADOPTED	49	0
4/22	3RD READING FREE CONFERENCE COMMITTEE		
	REPORT ADOPTED	47	1
	HOUSE		
4/22	2ND READING FREE CONFERENCE COMMITTEE		
	REPORT ADOPTED	80	9
4/22	3RD READING FREE CONFERENCE COMMITTEE		
	REPORT ADOPTED	87	4
4/26	SIGNED BY PRESIDENT		
4/30	SIGNED BY SPEAKER		
4/30	TRANSMITTED TO GOVERNOR		
5/09	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 681 EFFECTIVE DATE: 1/1/86		

SB 34 INTRODUCED BY NORMAN
 ALCOHOLIC BEVERAGE LICENSING CRITERIA FOR BUSINESS
 ENTITIES
 BY REQUEST OF REVENUE OVERSIGHT COMMITTEE &
 DEPARTMENT OF REVENUE

1/07	INTRODUCED		
1/14	REFERRED TO TAXATION		
1/25	HEARING		
1/26	COMMITTEE REPORT-BILL PASS AS AMENDED		
1/29	2ND READING PASS	48	0
1/31	3RD READING PASS	47	0

SENATE FINAL STATUS

TRANSMITTED TO HOUSE
 2/27 REFERRED TO BUSINESS & LABOR
 3/11 HEARING
 3/11 COMMITTEE REPORT-BILL CONCURRED
 3/13 2ND READING CONCURRED 95 0
 3/15 3RD READING CONCURRED 94 0

RETURNED TO SENATE
 3/19 SIGNED BY PRESIDENT
 3/20 SIGNED BY SPEAKER

3/21 TRANSMITTED TO GOVERNOR
 3/22 SIGNED BY GOVERNOR
 CHAPTER NUMBER 133 EFFECTIVE DATE: 3/22/85

SB 35 INTRODUCED BY NORMAN
 DEFINING SUBWAREHOUSE FOR BEER AND WINE WHOLESALERS;
 ANNUAL LICENSE FEE
 BY REQUEST OF REVENUE OVERSIGHT COMMITTEE &
 DEPARTMENT OF REVENUE

1/07 INTRODUCED
 1/08 FISCAL NOTE REQUESTED
 1/14 REFERRED TO TAXATION
 1/15 FISCAL NOTE RECEIVED
 1/25 HEARING
 1/26 COMMITTEE REPORT-BILL DO PASS
 1/29 2ND READING PASS 48 0
 1/31 3RD READING PASS 49 0

TRANSMITTED TO HOUSE
 2/27 REFERRED TO BUSINESS & LABOR
 3/11 HEARING
 3/11 COMMITTEE REPORT-BILL CONCURRED
 3/13 2ND READING CONCURRED 97 0
 3/15 3RD READING CONCURRED 97 0

RETURNED TO SENATE
 3/19 SIGNED BY PRESIDENT
 3/20 SIGNED BY SPEAKER

3/21 TRANSMITTED TO GOVERNOR
 3/22 SIGNED BY GOVERNOR
 CHAPTER NUMBER 141 EFFECTIVE DATE: 7/01/85
 PARTS EFFECTIVE ON 3/22/85

SB 36 INTRODUCED BY NORMAN
 DELETING ALCOHOLIC BEVERAGE CLUB LICENSE REFERENCE
 BY REQUEST OF REVENUE OVERSIGHT COMMITTEE &
 DEPARTMENT OF REVENUE

1/07 INTRODUCED
 1/14 REFERRED TO TAXATION
 1/25 HEARING
 1/26 COMMITTEE REPORT-BILL DO PASS
 1/29 2ND READING PASS 48 0
 1/31 3RD READING PASS 47 2

TRANSMITTED TO HOUSE

SENATE BILL NO. 34

INTRODUCED BY NORMAN

BY REQUEST OF THE DEPARTMENT OF REVENUE
AND THE REVENUE OVERSIGHT COMMITTEE

IN THE SENATE

January 14, 1985	Introduced and referred to Committee on Taxation.
January 26, 1985	Committee recommend bill do pass as amended. Report adopted.
January 28, 1985	Bill printed and placed on members' desks.
January 29, 1985	Second reading, do pass.
January 30, 1985	Considered correctly engrossed.
January 31, 1985	Third reading, passed. Ayes, 47; Noes, 0.
	Transmitted to House.

IN THE HOUSE

February 27, 1985	Introduced and referred to Committee on Business and Labor.
March 11, 1985	Committee recommend bill be concurrent in. Report adopted.
March 13, 1985	Second reading, concurred in.
March 15, 1985	Third reading, concurred in.
	Returned to Senate.

IN THE SENATE

March 15, 1985

Received from House.

March 16, 1985

Sent to enrolling.

Reported correctly enrolled.

1 SENATE BILL NO. 34
2 INTRODUCED BY NORMAN
3 BY REQUEST OF THE DEPARTMENT OF REVENUE
4 AND THE REVENUE OVERSIGHT COMMITTEE
5
6 A BILL FOR AN ACT ENTITLED: "AN ACT TO ESTABLISH ALCOHOLIC
7 BEVERAGE LICENSING CRITERIA FOR A BUSINESS ENTITY OTHER THAN
8 A CORPORATION OR AN INDIVIDUAL; AMENDING SECTION 16-4-401,
9 MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."
10
11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
12 Section 1. Section 16-4-401, MCA, is amended to read:
13 "16-4-401. License as privilege -- criteria for
14 decision on application. (1) A license under this code is a
15 privilege which the state may grant to an applicant and is
16 not a right to which any applicant is entitled.
17 (2) Except as provided in subsection (6), in the case
18 of a license that permits on-premises consumption, the
19 department must find in every case in which it makes an
20 order for the issuance of a new license or for the approval
21 of the transfer of a license that:
22 (a) in the case of an individual applicant:
23 (i) the applicant will not possess an ownership
24 interest in more than one establishment licensed under this
25 chapter for all-beverages sales;

1 (ii) the applicant or any member of his immediate
2 family is without financing from or any affiliation to a
3 manufacturer, bottler, or distributor of beer, wine, or
4 liquor;
5 (iii) the applicant is a resident of the state and is
6 qualified to vote in a state election;
7 (iv) the applicant's past record and present status as
8 a purveyor of alcoholic beverages and as a businessman and
9 citizen demonstrate that he is likely to operate his
10 establishment in compliance with all applicable laws of the
11 state and local governments; and
12 (v) the applicant is not under the age of 19 years;
13 and
14 (b) in the case of a corporate applicant:
15 (i) the owners of at least 51% of the outstanding
16 stock meet the requirements of subsection (2)(a)(iii);
17 (ii) each owner of 10% or more of the outstanding stock
18 meets the requirements for an individual applicant listed in
19 subsection (2)(a) of this section;
20 (iii) the corporation is authorized to do business in
21 Montana; and
22 (iv) in the case of a corporation not listed on a
23 national stock exchange, each owner of stock meets the
24 requirements of subsection (2)(a)(i); and
25 (c) in the case of any other business entity as

1 applicant:

2 (i) if the applicant consists of more than one
3 individual, all must meet the requirements of subsection
4 (2)(a); and

5 (ii) if the applicant consists of more than one
6 corporation, all must meet the requirements of subsection
7 (2)(b).

8 (3) In the case of a license that permits only
9 off-premises consumption, the department must find in every
10 case in which it makes an order for the issuance of a new
11 license or for the approval of the transfer of a license
12 that:

13 (a) in the case of an individual applicant:

14 (i) the applicant will not possess an ownership
15 interest in more than one establishment licensed under this
16 chapter for all-beverages sales;

17 (ii) the applicant or any member of his immediate
18 family is without financing from or any affiliation to a
19 manufacturer, bottler, or distributor of beer, wine, or
20 liquor;

21 (iii) the applicant has not been convicted of a felony
22 or, if the applicant has been convicted of a felony, his
23 rights have been restored;

24 (iv) the applicant's past record and present status as
25 a purveyor of alcoholic beverages and as a businessman and

1 citizen demonstrate that he is likely to operate his
2 establishment in compliance with all applicable laws of the
3 state and local governments; and

4 (v) the applicant is not under the age of 19 years;
5 and

6 (b) in the case of a corporate applicant:

7 (i) the owners of at least 51% of the outstanding
8 stock meet the requirements of subsection (3)(a)(iii);

9 (ii) each owner of 10% or more of the outstanding stock
10 meets the requirements for an individual listed in
11 subsection (3)(a) of this section; and

12 (iii) the corporation is authorized to do business in
13 Montana; and

14 (c) in the case of any other business entity as
15 applicant:

16 (i) if the applicant consists of more than one
17 individual, all must meet the requirements of subsection
18 (2)(a); and

19 (ii) if the applicant consists of more than one
20 corporation, all must meet the requirements of subsection
21 (2)(b).

22 (4) In the case of a license that permits the
23 manufacture or wholesaling of an alcoholic beverage, the
24 department must find in every case in which it makes an
25 order for the issuance of a new license or for the approval

1 of the transfer of a license that:

2 (a) in the case of an individual applicant:

3 (i) the applicant has no ownership interest in any
4 establishment licensed under this chapter for retail
5 alcoholic beverages sales;

6 (ii) the applicant has not been convicted of a felony
7 or, if the applicant has been convicted of a felony, his
8 rights have been restored;

9 (iii) the applicant's past record and present status as
10 a purveyor of alcoholic beverages and as a businessman and
11 citizen demonstrate that he is likely to operate his
12 establishment in compliance with all applicable laws of the
13 state and local governments;

14 (iv) the applicant is not under the age of 19 years;
15 and

16 (v) an applicant for a wholesale license is neither a
17 manufacturer of an alcoholic beverage nor is owned or
18 controlled by a manufacturer of an alcoholic beverage; and

19 (b) in the case of a corporate applicant:

20 (i) the owners of at least 51% of the outstanding
21 stock meet the requirements of subsection (4)(a)(ii);

22 (ii) each owner of 10% or more of the outstanding stock
23 meets the requirements for an individual listed in
24 subsection (4)(a) of this section;

25 (iii) an applicant for a wholesale license is neither a

1 manufacturer of an alcoholic beverage nor is owned or
2 controlled by a manufacturer of an alcoholic beverage; and

3 (iv) the corporation is authorized to do business in
4 Montana; and

5 (c) in the case of any other business entity as
6 applicant:

7 (i) if the applicant consists of more than one
8 individual, all must meet the requirements of subsection
9 (2)(a); and

10 (ii) if the applicant consists of more than one
11 corporation, all must meet the requirements of subsection
12 (2)(b).

13 (5) In the case of a corporate applicant, the
14 requirements of subsections (2)(b), (3)(b), and (4)(b) apply
15 separately to each class of stock.

16 (6) The provisions of subsection (2) do not apply to
17 an applicant for or holder of a license pursuant to
18 16-4-302."

19 NEW SECTION. Section 2. Extension of authority. Any
20 existing authority of the department of revenue to make
21 rules on the subject of the provisions of this act is
22 extended to the provisions of this act.

23 NEW SECTION. Section 3. Effective date. This act is
24 effective on passage and approval.

-End-

CHAIRMAN--TOWE, TOM
NORMAL SCHEDULE==>

SITE: ROOM 413/415

DAYS: M-TU-W-TH-F

TIME: 8:00-10:00 A.M.

SECRETARY--AAGENES, NANCY

BILL NO	REFER DATE	HEARING DATE	CONSIDERATION DATES	COMMITTEE ACTION	REREFERRED TO COMM	DATE OUT
SB0004	1/07	1/15	1/29, 2/25	TABLED		1/29
GAGE, DELWYN			IMPACT OF DECLINE ACCOUNT FOR COAL BOARD FUNDS			
SB0021	1/07	1/09	1/11, 2/20, 2/22	PASS AS AMENDED	TAXATION	2/22
TOWE, THOMAS E.			CREATING A COAL RESEARCH AND DEVELOPMENT ACCOUNT FROM COAL SEVERANCE TAX			
SB0021	3/04		3/18	TABLED		3/18
TOWE, THOMAS E.			CREATING A COAL RESEARCH AND DEVELOPMENT ACCOUNT FROM COAL SEVERANCE TAX			
SB0032	1/07	1/08	1/08 1/11 1/22, 2/8	ADVERSE REPORT		2/8
AKLESTAD, GARY C.			EXEMPT PRODUCER-HELD GRAIN IN STORAGE FROM PROPERTY TAXATION			
SB0033	1/07	1/22	1/23	PASS AS AMENDED	TAXATION	1/23
SEVERSON, ELMER D.			ESTABLISHING AGRICULTURAL LAND VALUES FOR 1986 REVALUATION CYCLE			
SB0033	1/25		1/36, 1/29, 2/4	do pass		2/4
SEVERSON, ELMER D.			ESTABLISHING AGRICULTURAL LAND VALUES FOR 1986 REVALUATION CYCLE			
SB0034	1/14	1/25		PASS AS AMENDED		1/25
NORMAN, BILL			ALCOHOLIC BEVERAGE LICENSING CRITERIA FOR BUSINESS ENTITIES			
SB0035	1/14	1/25		DO PASS		1/25
NORMAN, BILL			DEFINING SUBWAREHOUSE FOR BEER AND WINE WHOLESALERS; ANNUAL LICENSE FEE			
SB0036	1/14	1/25		DO PASS		1/25
NORMAN, BILL			DELETING ALCOHOLIC BEVERAGE CLUB LICENSE REFERENCE			
SB0037	1/07	1/17	1/18	DO PASS		1/18
MAZUREK, JOSEPH P.			REMOVING THE STATE TAX APPEAL BOARD FROM LIQUOR LICENSING APPEAL PROCESS			
SB0041	1/07	1/10	1/10 1/11 1/25	PASS AS AMENDED		1/25
TOWE, THOMAS E.			EXCLUDING TRUST FUND INTEREST FROM IN-STATE INVESTMENT FUND			

MINUTES OF THE MEETING
TAXATION COMMITTEE
MONTANA STATE SENATE

January 25, 1985

The fourteenth meeting of the Taxation Committee was called to order by Chairman Thomas E. Towe at 8:06 am in Room 413-415 of the Capitol Building.

ROLL CALL: With Senator McCallum and Senator Halligan excused all other members of the committee were present.

CONSIDERATION OF SB 34: Senator Bob Brown, Senate District 2, was recognized as sponsor of the bill. He assumed the role of sponsor on behalf of Senator Norman. He said the change in the current law occurred on page six of the bill which allowed a business entity other than a person or corporation to apply for and hold a liquor license.

PROPOSERS

Mr. Howard Hefflefinger of the Department of Revenue explained that the bill would allow partnerships to hold liquor licenses. He said the Department had dealt with a case in which the members of the partnership were corporations. In this instance the corporations involved had more than 10 percent foreign ownership which would have precluded the corporations from holding a liquor license under 16-4-401. However, because of the pressure of a law suit and the ambiguity of the law the license was granted. He said the amendments would help the Department face that situation in the future. Mr. Hefflefinger presented amendments to the committee that would correct the numbering in the bill.

OPPOSERS

None were heard.

Questions from the committee were called for.

Senator Towe asked if a partnership applied again how it would be handled. Mr. Hefflefinger stated that if the partners were individuals, that the individual criteria would apply. He said that if they were corporations, the Department would still proceed uncertainly in the absence of clear statutory definitions. Senator Towe commented on the difficulty of numerous limited partners.

(Senator Halligan rejoined the committee at 8:20 am.)

Senator Brown closed on SB 34 without comment.

CONSIDERATION OF SB 35: Senator Bob Brown, again carrying the bill for President Norman was recognized. He said this bill defined beer and wine subwarehouses and established a fee for their licensing. Senator Brown presented written testimony supporting the bill from Roger Tippy, executive secretary of the Montana Beer and Wine Wholesalers' Association (Exhibit 1).

January 25, 1985

section of the law. He said that legislative intent on the issue was clear and would be followed by the Department.

MOTION: Senator Halligan moved to adopt the amendments presented in Exhibit 2. The motion carried unanimously.

Senator Halligan then discussed further amendments to make applicability immediate on passage and approval. Senator Mazurek asked how this would affect those who have already paid. Mr. Groepper said that the Department could refund those amounts.

MOTION: Senator Halligan moved that the bill apply to all registrations after December 31, 1984. The motion carried unanimously. Mr. Lear was directed to draft the amendments appropriately and they are reflected in the standing committee report on SB 99 attached here.

MOTION: Senator Mazurek moved that the limit on back taxes and fees in SB 99 be extended from one to two years.

Senator Hager opposed the amendment saying that the local government people had supported the one-year limit. The committee discussed the amount of the minimum fees paid. Some felt it was too low to discourage abuse and that two years would be more appropriate. Senator Hirsch said that it would provide less incentive to keep a vehicle licensed.

The question was called. With Senators Brown, Eck, Lybeck, Mazurek, Neuman and Towe voting yes; Senators Goodover, Hager, Halligan, Hirsch and Severson voting no; and Senator McCallum excused, the motion carried.

MOTION: Senator Halligan moved that SB 99 as amended do pass. With Senator Goodover voting no, the motion carried.

FURTHER CONSIDERATION OF SB 34:

MOTION: Senator Hirsch moved the Department of Revenue amendments to SB 34 (Exhibit 3). The motion carried unanimously.

MOTION: Senator Mazurek moved that SB 34 do pass as amended. The motion carried unanimously.

CONSIDERATION OF SB 52 and SB 53: It was the committee understanding that SB 52 had originally been a Tavern Owners Association bill and they only recently walked away from the bill.

Senator Mazurek asked Mr. Lear to take the changes from SB 52 other than the quota and meld the two together for committee consideration.

Senator Eck asked that the 600-foot fule be clarified.

MOTION: Senator Halligan moved that the language on making the 600-foot rule applicable be stricken from the bill; i.e. that subsection D be stricken in its entirety and that the title of

ROLL CALL

SENATE TAXATION COMMITTEE

49th Legislative Session -- 1985

Date

January 25

Location -- Room 413-415

Name

Present

Absent

Excused

Senator Brown	✓		
Senator Eck	✓		
Senator Goodover	✓		
Senator Hager	✓		
Senator Halligan			✓
Senator Hirsch	✓		
Senator Lybeck	✓		
Senator Mazurek	✓		
Senator McCallum			✓
Senator Neuman	✓		
Senator Severson	✓		
Senator Towe			

Senate Bill No. 34, introduced bill should be amended as follows:

1. Page 4, Line 18
Strike: "(2)"
Insert: "(3)"
2. Page 4, Line 21
Strike: "(2)"
Insert: "(3)"
3. Page 6, Line 9
Strike: "(2)"
Insert: "(4)"
4. Page 6, Line 12
Strike: "(2)"
Insert: "(4)"

EXHIBIT 3 -- SB 34
Senate Taxation Committee
January 25, 1985

STANDING COMMITTEE REPORT

January 25,

85

19.....

MR. PRESIDENT

We, your committee on Taxation

having had under consideration..... Senate Bill No. 34

First reading copy (white)
color

ALCOHOLIC BEVERAGE LICENSING CRITERIA FOR BUSINESS ENTITIES.

Respectfully report as follows: That..... Senate Bill No. 34

be amended as follows:

1. Page 4, line 18.
Following: line 17
Strike: "(2)"
Insert: "(3)"

2. Page 4, line 21.
Following: line 20
Strike: "(2)"
Insert: "(3)"

3. Page 6, line 9.
Following: line 8
Strike: "(2)"
Insert: "(4)"

4. Page 6, line 12.
Following: line 11
Strike: "(2)"
Insert: "(4)"

AND AS AMENDED

DO PASS

~~DO NOT PASS~~

Thomas E. Towe,

Chairman.

STATUS SHEET

49TH

LEGISLATIVE SESSION

COMMITTEE ON BUSINESS AND LABOR

<u>SENATE</u> BILL NO.	<u>ENTERED</u> COMM.	<u>DATE</u> CONSIDERED	<u>OUT OF</u> COMM.	<u>DO PASS</u> DATE	<u>DO NOT</u> PASS DATE	<u>DO PASS</u> AS AMEND. DATE	<u>BE CON-</u> CURRED IN DATE	<u>BE CONC. IN</u> AS AMENDED DATE	<u>BE NOT CON-</u> CURRED IN DATE
6	1-21	3-6	3-6				3-6		
7	1-16	3-6	3-6				3-6		
17	1-18	3-7	3-7				3-7		
34	2-27	3-11	3-11				3-11		
35	2-27	3-11	3-11				3-11		
36	2-27	3-11	3-11				3-11		
39	1-18	3-8	3-8				3-8		
40	1-18	3-8	3-8				3-8		
53	2-27	3-18/3-20	3-20						3-20
66	2-27	3-11/3-15 3-18	3-18					3-18	
74	3-7	3-19/3-20 3-25/3-27	3-27	WITHOUT RECOMMENDATION AS AMENDED					
79	2-27	3-8/3-11	3-11					3-11	
81	2-27	3-15/3-18	3-18				3-18		
95	1-24	3-7/3-11 3-26	3-26				3-26		
120	2-27	3-8	3-8				3-8		
129	3-7	3-20/3-28	3-28	(SUBCOMMITTEE)			3-28	(STATEMENT OF INTENT AMENDED)	

Use a separate sheet for Senate, House Bills, and Resolutions

duplication, Senator Halligan will support the amendment.

Representative Thomas asked Senator Halligan why on page 3, lines 23 - 25 of the bill the exclusion for a public utility service exists. Senator Halligan explained that he met with the Public Service Commission and this area is complicated enough and that this area of regulation is not meant for consumer understanding.

Representative Ellerd asked Mr. Bennett if the Electronic Transfer Act is a complicated one and how plain language affects this act. Mr. Bennett explained that it is not a complicated act and that the consumer is already protected under this act.

Representative Kadas asked Mr. Bennett if the proposed amendment applies to the entire contract distributed by him or just the box that has been marked. Mr. Bennett stated that the amendment would apply to any contract dealing with the federal Truth-In-Lending Act or the Electronic Fund Transfer Act.

Representative Simon asked Senator Halligan if the amendment is adopted how many contract will be left. Senator Halligan explained that it would be those covering personal property and where the borrowing of money is not involved.

Representative Simon asked Les Alke, Montana Bankers Association if the Reg Z applies only to financial contracts. Mr. Alke explained that it applies to any credit/debtor type contract.

Representative Simon then asked Mr. Alke if the Reg Z and electronic transfer act is exempt, what will remain. Mr. Alke stated that any transaction that does not have credit involved. In response to the same question Senator Halligan explained that no contracts would remain.

Representative Thomas asked Molly Munro why real estate had been exempted. Ms. Munro explained that it is exempt due to the legal description of property, a problem with this was anticipated.

There being no further discussion by proponents and no opponents to the bill, all were excused by the chairman and the hearing on Senate Bill 66 was closed.

SENATE BILL 34: Hearing commenced on Senate Bill 34. Senator Bob Brown, District #2, sponsor of the bill by request of the Department of Revenue and the Revenue Oversight Committee, explained that this bill revises the

liquor license law to require that in a license application by any business entity other than an individual or a corporation all individuals concerned must meet the same qualifications as an individual applicant.

Proponent Howard Heffelfinger, Administrator, Liquor Division, Department of Revenue, explained that there have been instances where a partnership has applied for a license and was in fact a corporation. With the entity being a partnership, the court has ruled in their favor and a license was issued. Senate Bill 34 will give the department the full legal authority to investigate any entity applying for a license.

Representative Brandewie asked Howard Heffelfinger if an individual from out of state could own 49% of a license. Mr. Heffelfinger explained that the individual who owns 51% of a license must be a resident of the state.

There being no further discussion by proponents and no opponents to the bill, all were excused by the chairman and the hearing on Senate Bill 34 was closed.

SENATE BILL 35: Hearing commenced on Senate Bill 35. Senator Bob Brown, District #2, sponsor of the bill by request of the Department of Revenue and the Revenue Oversight Committee, stated this revises the liquor laws to define a "subwarehouse" and to provide an annual license fee of \$400 for each subwarehouse maintained by a beer wholesaler or table wine distributor.

Proponent Howard Heffelfinger, Administrator, Liquor Division, Department of Revenue, explained that this permits an individual to have one subwarehouse in addition to the main place of business. The \$400 fee was never referred to in the code, this will codify the past practice of the department. There is no change in the fee, added Mr. Heffelfinger.

Proponent Roger Tippy, representing the Montana Beer and Wine Wholesalers, expressed his support and explained that the association has no objection to the department's bill to codify.

There being no further discussion by proponents and no opponents to the bill, all were excused by the chairman and the hearing on Senate Bill 35 was closed.

SENATE BILL 36: Hearing commenced on Senate Bill 36. Senator Bob Brown, District #2, sponsor of the bill by request of the Department of Revenue and the Revenue Oversight Committee, explained that this revises the liquor law to remove reference to alcoholic beverage club licensees.

Proponent Howard Heffelfinger, Administrator, Liquor Division, Department of Revenue, stated this is a housekeeping measure and that there is no such entity as a "club licensee".

There being no further discussion by proponents and no opponents to the bill, both were excused by the chairman and the hearing on Senate Bill 36 was closed.

ACTION ON SENATE BILL 34: Representative Nisbet moved DO PASS on Senate Bill 34. Second was received, Senate Bill 34 will BE CONCURRED IN by unanimous vote.

ACTION ON SENATE BILL 35: Representative Schultz moved DO PASS on Senate Bill 35. Second was received, Senate Bill 35 will BE CONCURRED IN by unanimous vote.

ACTION ON SENATE BILL 36: Representative Bachini moved DO PASS on Senate Bill 36. Second was received, Senate Bill 36 will BE CONCURRED IN by unanimous vote.

ACTION ON SENATE BILL 66: Representative Thomas moved DO PASS on Senate Bill 66. Representative Thomas moved to amend on page 3, line 23 - 25, deleting the language. Representative Schultz agreed with the amendment. Representative Kadas added that utility language is between the utility and the Public Service Commission, they both have a legal staff and thus, should be excluded. Representative Brandewie stated that each real estate transaction is individual and complex. The condition of each contract is individual and are negotiated between the buyer, seller and their counsel. Representative Thomas added that standardized forms are used in real estate. Representative Glaser stated that those properties over \$50,000 are exempt from the act. A roll call vote on Representative Thomas' motion to delete the language on page 3, line 23 failed by a vote of 7 to 13. A motion by Representative Thomas to delete on page 3, line 25 carried with all but Representative Brandewie and Hansen voting yes. Representative Simon explained that if the amendments proposed by the banks are adopted, there will not be any contracts covered. Representative Brown asked Ann Krembel, Senator Halligans' aide to comment. Ms. Krembel explained that the senator does not support the proposed amendments by the bankers. Representative Simon suggested that Paul Verdon, staff researcher, see if state law can override the federal Regulation Z requirement. Senate Bill 66 will be held for consideration at a later date.

ACTION ON SENATE BILL 79: Representative McCormick moved

DAILY ROLL CALL
BUSINESS AND LABOR COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date March 11, 1985

NAME	PRESENT	ABSENT	EXCUSED
Bob Pavlovich	✓		
Les Kitselman	✓		
Bob Bachini	✓		
Ray Brandewie	✓		
Jan Brown	✓		
Jerry Driscoll	✓		
Robert Ellerd	✓		
William Glaser	✓		
Stella Jean Hansen	✓		
Marjorie Hart	✓		
Ramona Howe	✓		
Tom Jones	✓		
Mike Kadas	✓		
Vernon Keller	✓		
Lloyd McCormich	✓		
Jerry Nisbet	✓		
James Schultz	✓		
Bruce Simon	✓		
Fred Thomas	✓		
Norm Wallin	✓		

STANDING COMMITTEE REPORT

March 11

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SPEAKER

MR.

BUSINESS AND LABOR

We, your committee on

Senate

34

having had under consideration Bill No.

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ALCOHOLIC BEVERAGE LICENSING CRITERIA FOR BUSINESS ENTITIES

Senate

34

Respectfully report as follows: That Bill No.

DO PASS

BE CONCURRED IN